

ARTICLE APPEARED
ON PAGE **A13**NEW YORK TIMES
11 April 1986

Defendant in Spy Case Tells Why He Sold Secrets to Soviet Officials

ALEXANDRIA, Va., April 10 (AP) — A former Army intelligence officer testified today that he sold secrets to the Soviet Union as part of a mission to infiltrate the Kremlin's intelligence apparatus in the Far East.

The witness, Richard Craig Smith, testifying at his espionage trial, said he had passed information about six United States spy operations to a Soviet intelligence officer in Tokyo but had done so as part of a mission for the Central Intelligence Agency.

"Mr. Smith," asked his lawyer, Brent Carruth, "are you a spy?"

"I have been, yes," Mr. Smith replied.

"For whom?"

"For the United States of America,"

Mr. Smith replied. "I have never been a spy for the Soviet Union, but I sold secrets to the Soviet Union as part of another mission." He said this mission had been part of a C.I.A. effort to infil-

trate the Soviet intelligence apparatus, the K.G.B.

The defense rested its case today and Federal District Judge Richard Williams told the jurors closing arguments would begin Friday.

Information Disclosed

Mr. Smith said that after he resigned from the Army in 1960 to go into private business he was recruited while in Tokyo by two C.I.A. agents who called themselves Ken White and Danny Ishida. At first he performed low-level courier missions. Eventually, he said, in mid-1962, Mr. White asked him to try to gain access to Soviet intelligence offi-

cials at their Tokyo embassy.

Mr. Smith said Mr. White had authorized him to disclose information about eight operations involving people spying for both sides with which he had been familiar while still in the Army as an \$18,000-a-year intelligence officer. He said he had told a K.G.B. official, Viktor Okunev, about six of those in exchange for \$11,000. Mr. Smith said the operations were old and had long since been stopped, so no damage was done.

Meetings Are Described

Mr. Smith said that Mr. White and Mr. Ishida operated out of the C.I.A. business fund in Honolulu called CMI

Investment Corporation and that he had several meetings with the agents, both in Hawaii and in Tokyo.

Mr. Smith's lawyers say they have been unable to find either man.

Recently declassified documents confirm that CMI was a front for the intelligence agency.

Mr. Smith is charged with two counts of espionage, one of conspiracy and two of passing secrets to the Soviet Union. If convicted on any of the espionage or conspiracy counts, he could be sentenced to life imprisonment.

His lawyers have told the jury that Mr. Smith gave the Russians nothing of consequence while on the C.I.A. mis-

sion but that the agency was "leaving Mr. Smith out to dry."

Mr. Smith's wife, Susan, and father and brother all took the stand to testify in behalf of the defendant's character. In halting voice, Susan Smith said her husband had reluctantly given up his Army intelligence job to go into private business and spend more time with his family. His business ventures were close to bankruptcy when he traveled to Tokyo and contacted the Soviet officials, she said.

Fred Schwendiman, vice president of Brigham Young University, also testified to Mr. Smith's character.